

# EXPOSURE DRAFT

EXPOSURE DRAFT

1  
2  
3  
4  
5  
6  
7

Inserts for  
**Treasury Laws Amendment (Measures  
for a later sitting) Bill 2021: Film tax  
offsets**

---

**Commencement information**

---

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Schedule X	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	

---

# EXPOSURE DRAFT

---

## Schedule X—Film tax offsets

### *Income Tax Assessment Act 1997*

#### **1 Paragraph 376-2(3)(a)**

Repeal the paragraph, substitute:

(a) the amount of the producer offset is:

(i) if the film is a feature film that was produced for commercial exhibition to the public in cinemas—40% of the company’s qualifying Australian production expenditure on the film; and

(ii) otherwise—30% of the company’s qualifying Australian production expenditure on the film; and

#### **2 Paragraph 376-45(5)(a)**

Omit “\$500,000”, substitute “\$1 million”.

#### **3 Paragraph 376-55(2)(a)**

Omit “not a series or a season of a series”, substitute “not covered by paragraph (b) or (c)”.

#### **4 Paragraphs 376-55(2)(b) and (c)**

After “series”, insert “other than a drama series”.

#### **5 Paragraphs 376-60(a) and (b)**

Repeal the paragraphs, substitute:

(a) if the \*film is a \*feature film that was produced for commercial exhibition to the public in cinemas—40%; or

(b) otherwise—30%;

#### **6 Subparagraph 376-65(2)(b)(i)**

Before “exhibition”, insert “commercial”.

#### **7 Subparagraph 376-65(5)(a)(iii)**

Before “the series”, insert “in the case of a series other than a drama series—”.

# EXPOSURE DRAFT

---

## 8 Subparagraph 376-65(5)(b)(iii)

Before “the series”, insert “in the case of a series other than a drama series—”.

## 9 Subsection 376-65(6) (table item 1)

Repeal the item, substitute:

1	A *film that is	\$1 million	not applicable
	*feature-length		

## 10 Subsection 376-65(6) (cell at table item 2, column headed “For this type of film ...”)

Repeal the cell, substitute:

A single episode  
program that:

(a) is not a  
\*documentary;  
and

(b) is not  
\*feature-length

## 11 Subsection 376-65(6) (cell at table item 3, column headed “For this type of film ...”)

Repeal the cell, substitute:

A single episode  
program that:

(a) is a  
\*documentary;  
and

(b) is not  
\*feature-length

## 12 Section 376-135 (cell at table item 4, column headed “except to the extent to which the expenditure is ...”)

Repeal the cell.

## 13 Subsection 376-150(1) (at the end of the cell at table item 2, column headed “Type of expenditure”)

Add:

[see subsection(3)]

# EXPOSURE DRAFT

---

1 **14 At the end of section 376-150**

2 Add:

- 3 (3) Expenditure incurred by the company to acquire copyright, or a  
4 licence in relation to copyright, is covered by item 2 of the table in  
5 subsection (1) only to the extent to which it does not exceed 30%  
6 of the total of all the company's \*production expenditure on the  
7 \*film.

8 **15 Subsection 376-165(1)**

9 Omit "(1)".

10 **16 Subsection 376-165(1) (table item 1)**

11 Repeal the item.

12 **17 Subsection 376-165(2)**

13 Repeal the subsection.

14 **18 Subsection 376-170(2) (table item 1)**

15 Repeal the item.

16 **19 Subsection 376-170(2) (cell at table item 2, column headed**  
17 **"Type of expenditure")**

18 Repeal the cell, substitute:

*Travel to Australia and other countries*

expenditure of the company in relation to an individual's travel to  
Australia to undertake activities in relation to the \*making of the \*film.

19 **20 Subsection 376-170(2) (table item 4)**

20 Repeal the item.

21 **21 Subsection 376-170(2) (table item 7, column headed "Type**  
22 **of expenditure", paragraph (c))**

23 Omit "re-versioning", substitute "the first re-versioning of".

24 **22 Subsections 376-170(3) and (3A)**

25 Repeal the subsections.

26 **23 Paragraph 376-170(4)(b)**

27 Omit "subject to subsection (4A),".

# EXPOSURE DRAFT

---

## 24 Paragraph 376-170(4)(c)

Omit “for a series or a season of a series”, substitute “for a series other than a drama series, or a season of a series other than a drama series”.

## 25 Subsection 376-170(4A)

Repeal the subsection.

## 26 Subsection 995-1(1) (definition of *feature film*)

Repeal the definition, substitute:

*feature film* includes a \*film that is an animated feature film, but does not include a film that is not \*feature-length.

## 27 Subsection 995-1(1)

Insert:

*feature-length*: a \*film is *feature-length* if:

- (a) if the film is a large format film—the film is at least 45 minutes in duration; and
- (b) otherwise—the film is at least 60 minutes in duration.

## 28 Application of amendments

The amendments made by this Schedule apply:

- (a) in respect of the tax offset under section 376-10 (the location offset) or the tax offset under section 376-55 (the producer offset)—to films commencing principal photography on or after 1 July 2021; and
- (b) in respect of the tax offset under section 376-35 (the PDV offset)—to films commencing post, digital and visual effects production on or after 1 July 2021.